



Sean J. Egan
212 Laurel Lane
Haverford, Pennsylvania 19041

July 3, 2000

Mr. Kenneth A. Wieder
Special Programs Unit
Technology Center 2700
Patent and Trademark Office
Washington, DC 20231

Re.: Patent application: 09/418184 – System and Method for Assigning Ratings to Mutual Funds and other Investment Funds Based on the Value of Various Future and Option Securities (the "Invention")

Dear Mr. Wieder:


This letter is to provide additional information in connection with my request to make my patent application special. In response to the outstanding items listed in your letter mailed June 27th, 2000, b) all claims are directed to a single invention, or if requested, I will make an oral election without traverse if the USPTO hold that the claims are not directed to a single invention, c) a pre-examination search has been made by the class/ subclass 705/36, d) attached is a copy of the references deemed most closely related to the subject matter encompassed by the claim, and e) a detailed description of the submitted references and discussions pointing out how the claimed subject matter is distinguishable over these references. I conducted the search with the assistance of the Philadelphia Library.

The Invention is different from the most relevant patented inventions in the sense that it uses the prices of futures and options to assign ratings to mutual funds. The patented relevant inventions mainly present systems for developing optimal portfolios using the CAPM pricing model. We are not developing optimal portfolios nor are using the CAPM pricing model, but rather are using options and futures to assign ratings to mutual funds.

The Invention provides a more sophisticated (i.e., more timely and accurate) means of assigning risk/ reward ratings for mutual funds by incorporating information from options and futures and the expected risk/ reward information available through the use of the options and futures. The invention is useful and is not obvious.

I am the founder of Egan-Jones Ratings, an international credit ratings firm with approximately 150 large institutional clients. Please call me with any questions; my office phone number is 610-642-2411.

Sincerely,


Sean J. Egan

Sean J. Egan
212 Laurel Lane
Haverford, Pennsylvania 19041

Listing, Description, and Commentary on Similar Patents
(Listed by deemed relevance – see attachment for patent information)

5,812,987 Investment Fund Management Method and System with Dynamic Risk adjusted Allocation of Assets – The invention does not use futures and options for the assignation of ratings for mutual funds but rather is for the allocation of assets using user-defined risk levels (see attachment for a more complete description).

5,844,287 System and Method for Generating and Displaying Risk and Return in an Investment Portfolio – The invention creates an optimal portfolio based on historical returns for various asset classes. The invention does not use futures and options in assigning ratings to mutual funds.

5,799,287 Method and Apparatus for Optimal Portfolio Replication – invention does not use futures and options in assigning ratings to mutual funds.

6,079,904 Risk direct asset allocation and risk resolved CAPM for optimally allocating Investment Assets in an investment portfolio - – invention does not use futures and options in assigning ratings to mutual funds.

Information on other inventions is included in the attachment. However, none of them are as relevant as those listed above.